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Date	20 September 2024
Our Ref	WMBC/IGR/CFSS-11041187
UTR	8737820815
Case Ref	CFSS-11041187

Dear Lions Sports Academy Limited

Check of the Company tax return for the period ended 31 March 2023

Company name: Lions Sports Academy Limited

Thank you for your email dated 15 August 2024, with your response to our letter and supporting documents for accounting period 31 March 2023

We acknowledge you understand the risk associated with communicating via email and your agreement to email protocol we sent with our previous letter.
In your response you stated that All documents related to the project, including research data, training materials, and correspondence with academic institutions, are available in the shared older. As explained in a previous email we are unable to accept the information in this format.

Please be informed that should you consider that these documents provide comprehensive support for the R&D relief claim and if the information is too much for one email, you could send it in separate numbered emails with your case number (CFSS-11041187) in the email as an identifier.

Please be informed that I have reviewed the information you have provided at this moment, however your response and the information supplied has not provided us with enough information or detail of the R&D projects claimed and as such we require some additional information before we can make an informed decision about your claim.

An R&D project must firstly satisfy the definition of R&D as specified in Paragraphs 3, 4 & 5 BEIS (2004) guidelines, in order to be considered R&D for the purpose of claiming R&D tax relief.

In your response, please remember that R&D has a specific statutory definition for the purposes of R&D tax relief, which is not the same as the commercial definition. Products developed purely for commercial gain are not considered R&D, paragraph 6 BEIS (2004) guidelines.

In order to satisfy our request please ensure you provide enough evidence and narrative, in laymen's terms, to ensure we have the information requested relating to your R&D claim under the SME scheme.

Please ensure you detail your response with this in mind and provide all explanations in a form understandable to a non-expert, ensuring any company jargon and acronyms are explained.

Please ensure that the competent professionals involved in the project detail the response with this in mind and provide the following for the project you claimed R&D:

An explanation of what the scientific or technological uncertainties involved in the project were

Please send us a more detailed explanation on why you believe this to be an advance via an appreciable improvement in the field of science or technology relative to what is already in the public domain or already deducible.

Your response must include:

- what the gap in scientific and/or technological knowledge or capability was which necessitated the commencement of the R&D

  You provide with email dated 15 August 2024 extensive information regarding the technology gap you identified, the uniqueness of improvement and your current search on current practice and why you believe it fails to resolve the uncertainty.

  You state as the gap you identified "In grassroots rugby, a high percentage of coaches are unqualified, leading to inconsistencies and uncertainties in how to effectively coach tackling. Despite the availability of coaching guidance, there is no existing technology or validated system that can accurately analyse and provide feedback on rugby tackles. This gap is particularly critical given the high rate of injuries related to poor tackling techniques.".

  You state that the company sought to "create a novel tackle scoring system for rugby, starting with manual video analysis, and progressing to AI-driven analysis. The primary objective is to reduce injury risks in youth rugby by developing a scientifically validated tool to assess and improve tackling techniques."

  As a result, you developed through work carried out for your project the TackleTEK, system introducing an AI/algorithm-based system to evaluate and enhance rugby tackling skills, representing a significant technological improvement over current

practices.

You believe that this tool will fill a significant gap in the existing technology and coaching methods at the grassroots level, where you state that there is currently no reliable system to analyse or improve tackling performance.

However, despite the brief description of your solution there is not enough information in regard with what you are trying to achieve, more specific how is your project TackleTEK an advance in science or technology, given the fact that integrating machine learning and decision support in tactical decision-making in various sports is a common conclusion. Development of AI itself, in the last years, opened the door to opportunities in all aspects of sports to find ways to integrate and benefit from the analysis and input it can provide.
It is common that with AI integration in all aspects of life, there are also many new practices emerging from the use of technology, the introduction of video analysis in the coaching process has enabled for dynamic and complex situations in sports to be quantified in an objective, reliable and valid manner.

Artificial intelligence (AI) can be used to predict injuries in rugby. AI can be used to analyse data from previous games, such as injury statistics, playing style, and physiological data of players. AI can also be used to monitor players during games to identify signs of potential injuries. The fact that AI has the potential to revolutionize rugby, making it a safer and more efficient sport is a conclusion reached by several companies that provide similar services with what you are trying to achieve. HealthGuard, Catapult- these are just a few examples of how AI is being used in rugby. As AI technology continues to develop, it is likely that we will see even more innovative uses of AI in the sport.

Although you state that current practices in grassroot rugby is that "at present, rugby tackle analysis is subjective and performed in real-time by coaches, most of whom lack formal qualifications" and you emphasis on the challenges these practises possess, there is not, though, enough information to assess how your solution is a response to a gap in the field of science and technology, rather than a version of what is available on the market at this moment in terms of tackle analysis.

There is not enough information though how the challenges the company faced represent an uncertainty rather than a goal for the company to develop a competitive system in comparison with the existing solutions.

- what scientific or technological advance is being sought or achieved during the development of the project and **not just your company's knowledge or capability alone**

You mention that your company's advancement sought is the development of an AI-driven tackle analysis tool. Initially, the scoring criteria will be applied through manual video analysis, but the goal is to employ AI to streamline the process. This will provide coaches with precise feedback on tackling techniques, which is currently. unavailable, thereby significantly improving training outcomes and safety in youth rugby.

As states above, there are readily available in the public domain Time-lapsed software packages like Sports Code, for example, that have enabled Performance

Analysts to analyse match or training footage by manually tracking event frequencies and creating datasets for later analysis.
As you can observe in the public domain, there is a general shift towards implementing AI in sport analysis and there are readily available several solutions in the public domain.

Please provide detailed information how the challenges the company faced represent an uncertainty rather than a goal for the company, or how your solution is an advance in science and technology rather than a goal for the company to provide a competitive solution to the ones existing already on the market.

- how the R&D project is new, or an appreciable improvement to the field of science or technology relative to what is available in the public domain and not readily deducible by a competent professional

In your email dated 08 August 2024 you state your justification as in why this was non deducible by a competent professional "The methodologies applied involve a complex interplay of advanced computing principles, cybersecurity measures, user experience design, and legal compliance considerations. Such a combination is not typically within the expertise of a standard IT professional and requires a specialised, interdisciplinary approach. The solutions were derived from first principles of security and user needs, rather than iterating on existing systems. This innovative approach to problem-solving, necessary to address the unique challenges identified, goes beyond routine. application development and integration. The extent of R&D needed to prototype, test, and validate these solutions indicates that they are not straightforward or obvious fixes that a competent professional could deduce without engaging in substantial experimental and exploratory work".

Please provide more information in regard with the methodologies applied that you mention above, in order to have a better understanding on the complex interplay from which your non readily deducible solutions derived.
Please also provide more information in regard with what these solutions entail and which unique challenges you identified that go beyond routine.

Uncertainty

As you stated in your documentation you have identified a technological gap surrounding rugby tackle safety, particularly in youth rugby, in 2016 following a significant public concern. At that time, an open letter from university representatives was issued urging a ban on rugby for those under 18 in schools across Britain due to the high risk of injuries, particularly concussions. As the letter stated statistics revealed a 28% risk of injury for a child rugby player over a season of 15 games, with an 11% risk of concussion—meaning one or two players in every school or club rugby team could sustain a concussion each season. Tackles were identified as the cause of up to 64% of all injuries and 87% of concussions in youth rugby.
These alarming statistics and the media attention that followed highlighted a critical uncertainty: how to coach tackling in a way that improves safety and reduces injury risk, especially when many grassroots coaches lack the formal qualifications necessary to teach this complex skill effectively. Recognizing this gap, Lions Sports Academy set out to explore how to make the game safer for young players, ensuring the sport's continuation and benefits for youth development both on and off the pitch.

You stated in your response that "key uncertainties include:
• The current technological limitations of pose detection systems, which struggle to differentiate between players in close proximity.
• Scientific uncertainties regarding the reliability and accuracy of a new tool to assess rugby tackling techniques."

You mention that the uncertainties identified in 2016 were overcome in 2022-2023 by developing the TackleTEK program which" was further refined and tested in five independent schools. During this phase, the research demonstrated that 20 minutes of targeted training once a week could improve tackling competency by 40%. This marked a significant step in overcoming the uncertainty related to effective tackle coaching. The results were validated through a robust testing process involving over 200 students, indicating that the newly developed criteria could reliably improve tackle safety."

Your response mentions that you conducted research and that you reached the conclusion "that specific, consistent training could improve tackling competency by 40% and that this study's success has laid the groundwork for the AI-driven tool currently under development".

However, there is not enough information in regard with details of the research and analysis that you have undertaken to establish that the uncertainties listed on your R&D information were uncertainties and not complexities and challenges.

The information provided in response to the schedule of information and the file TackleTEK Update attached to the email dated 15 August 2024 do not provide enough clarification how you reached the conclusion, how the program is helping to reach this conclusion.

Para 33 states that R&D begins when work to resolve the scientific or technological uncertainty starts and ends when that uncertainty is resolved or work to resolve it ceases. This means that work to identify the requirements for the process, material, device, product or service, where no scientific or technological questions are at issue, is not R&D.

Please provide us with a more detailed explanation of the research that was conducted to establish that these uncertainties exist in the **overall field of science and technology**. We also need to know why these uncertainties cannot be solved by readily deducible methods within your company's knowledge or by information that is publicly available.

Please bear in mind that the uncertainties must be more than challenges or complexities. Also, that just because your company does not know if something could be done, does not make it an uncertainty.

Your response must include an explanation, in a form understandable to a non-expert, what these uncertainties were:
Your response must include:
·an explanation of the research undertaken to establish these were uncertainties in the overall field of science or technology that could not be solved by the competent professional(s), or by information that is publicly available.
·what methods were used to identify the uncertainties
·whether the methods used to solve the uncertainties were not already established in the public domain

Knowledge Baseline

In your response dated 15 August 2024 you give an explanation why you consider that the knowledge sought was not readily deducible by a competent professional.
You state that "The development of the tackle scoring criteria and the subsequent AI-driven analysis tool required expertise and resources beyond the scope of a typical professional in the rugby coaching industry. The research involved advanced data analysis, collaboration with academic experts, and the creation of a new, scientifically validated method for assessing and improving rugby tackling techniques. The knowledge and tools developed through this project were not available in the public domain and required significant innovation and interdisciplinary collaboration."
However, your response does not provide further detail in regard with what the program entails, the advance data analysis, nor the scientifically validated method for assessing and improving rugby tackling techniques.

You also state that "There are currently no established baseline measures for tackling analysis in rugby. Our research aims to establish a new standard by creating a tackle scoring criteria, which can be used to develop normative values for comparison."

Please bear in mind that the in order to measure an advance in science or technology, you have to determine a baseline against which you are measuring the advance. Also, the baseline must be measured in the field of science and technology **as a whole and not just within your own field.**

Please provide details of the research conducted by your competent professional(s) to establish your baseline for this project:

- describe the baseline in science or technology that the advance sought was being measured against
- describe the advance or appreciable improvement in the overall field of technology sought or achieved, and its impact on the field as a whole.

Please be aware that the onus is on your competent professionals to provide explanation how your project constitutes an advance and not goals and target to benefit your company.

There is not enough information to determine the baseline against which you are measuring the advance claimed in your project I nor that is measured in the field of science and technology as a whole rather that your own field.

Competent Professionals

We acknowledge the information provided in regard with the competent professionals involved in the project.

Please also provide any research and analysis they have undertaken to establish that the uncertainties listed on your R&D report were uncertainties and not routine complexities and challenges.

Refer to Paragraphs 13, 14, 29 & 30 BEIS (2004) guidelines when formulating your response.

Costs

Software and Consumable Costs

The email dated 15 August 2024 provides a number of invoices to Zoho One, which you claim as a software and consumable costs.
Please provide further details in regard with these costs and the Zoho One software role in your project .

For software and consumables costs included in the claim for R&D tax relief please ensure you have provided us with

- the rationale and methodology used to come to any apportionment
- confirmation that all the amounts included above have been incurred

What you need to do now
Please let us have this information by 21 October 2024. You can do this by (either):

- emailing ccgrdci366b@hmrc.gov.uk
- writing to the address at the top of this letter

Using references and sending us documentation
If you send us any original documents or records, you must tell us that they are originals. You must also tell us, in writing, if you agree that we can securely destroy any documents or records you send us. We securely destroy documents and records 50 working days after we have digitally scanned them. This applies to copies of documents or records as well as originals. If you do not tell us that you agree, we will return everything to you except any files or folders.

If you tell us that you agree, you have the right to change your mind. If you do, you must tell us this in writing within 40 working days of the date that you sent us those documents or records.

Our standard policy is to destroy any memory sticks or other removable digital media you send us. We strongly recommend that you encrypt the data you send us, to make it more secure. Whichever method you choose to contact us, you need to quote the case reference CFSS-11041187.

Yours sincerely

R&D Tax Credit Compliance Team

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to www.gov.uk and search 'HMRC Charter'.